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August 2008 E-Newsletter

### THE BUDGET DELAY

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THE BUDGET DELAY

**UPCOMING EVENTS** 

Time after time in polls and town halls, the people have told us they don't want education cut and they don't want the safety net shredded.

But there has been another issue on their minds: Why can't the state legislature pass a budget on time? What's the problem?

The short explanation is that it takes more than a majority to adopt a budget in California. It takes a super majority, two-thirds of the lawmakers in the Assembly and state Senate.

## **District Office:**

100 Paseo de San Antonio Suite 300

San Jose, CA 95113 Tel: (408) 282-8920 Fax: (408) 282-8927 This two-thirds requirement – on the books since 1933 – has been leveraged by a few to thwart the will of the majority of California's elected representatives. Not only do they hold the budget hostage, but these actions harm all of California, including our students, the elderly and disabled who need state assistance for medical care, and families who need help to get back on their feet in an unforgiving economy.

# Capitol Office:

State Capitol P.O. Box 942849 Sacramento, CA 94249-0024

Tel: (916) 319-2024 Fax: (916) 319-2124 California is just one of three states – Rhode Island and Arkansas are the others -- that demands a budget be passed by a two-thirds majority. California's cities, counties, school boards, and water districts can all adopt a budget with a majority, but not the Legislature. I believe – and so do many others – that California should junk the two-thirds requirement.

The super-majority requirement effectively dilutes the vote of every elected member in the majority as well as the electorate who put that legislator in office. At the same time, it unjustly magnifies the power of a minority bent on protecting special interests by freezing the budget process.

So, while it only takes a majority of the Legislature to pass a tax break, it takes a two-thirds vote to eliminate it. That high bar has been used by a small number of ideologues to block the majority from forcing the wealthy to pay their fair share.

This minority has no choice but to stalemate the process so they can continue to preserve tax breaks for the wealthy -- loopholes that the rest of the Legislature would eliminate to help balance the budget in concert with sensible reductions in spending.

This gambit of legislative blackmail is also a game of "chicken," a game that wastes taxpayer dollars. The longer the state goes without a budget, the closer it gets to the point of actually running out of money to pay its bills. If money does run out, the state – which already faces a lowered bond rating -- will have to go out on the market and borrow cash at an exorbitant rate and perhaps exceed the amount of a tax proposed to balance a budget

Not only has the super-majority requirement created budget impasses, it takes away the Legislature's flexibility to respond to a crisis in a timely manner. In short, it limits our choices as lawmakers during economic downturns; it would be comparable to a football team tearing up half its 2008 playbook.

In these challenging times, I don't believe Californians – whose hard work and genius has shaped the eighth largest economy in the world – want their options and creativity stifled when it comes to devising the best budget possible for our schools, colleges, poor, and the elderly.

### **UPCOMING EVENTS**

## **Home Foreclosure Workshop**

Congresswoman Zoe Lofgren, D-San Jose, is sponsoring a home foreclosure workshop to inform people on what to do before, during, and after foreclosure.

Saturday, August 9, 2008 10 A.M. – 1 P.M. James Lick High School 57 N. White Road, San Jose

Available are panel discussions, one-on-one counseling, and legal consults to learn more about preventing foreclosure; understanding the foreclosure process and its tax implications; and the pros and cons of bankruptcy, tax issues, and ways to reestablish your credit after foreclosure has been completed. All services are free.

Attendees are encouraged to bring all documents and notices received regarding their mortgage, home loans, or foreclosure proceedings.

Translation in Spanish and Vietnamese will be provided.

For more information on the event, please visit <a href="https://www.lofgren.house.gov">www.lofgren.house.gov</a> or call: 408-271-8700.

Agencies participating in the workshop are U.S. Department of Housing & Urban Development, Internal Revenue Service, Catholic Charities of Santa Clara County, Neighborhood Housing Services of Santa Clara County, Project Sentinel, Consumer Credit Counseling Service, Association of Community Organizations for Reform Now (ACORN), Santa Clara County Bar Association, Fair Housing Law Project – Law Foundation of Silicon Valley, Pro Bono Project – Debtor's Rights, and Bay Area Legal Aid.

# Free Pancake Breakfast

Please join us for a free pancake breakfast with your neighbors where we'll talk about your ideas about community and legislative issues! Here's the date, time, and place:

Saturday, Sept. 20 8:30 a.m. to 10:30 a.m. Campbell Community Center 1 W. Campbell Ave, Campbell